

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )**  
**OF UNITED WATER IDAHO INC. TO )** **CASE NO. UWI-W-04-1**  
**AMEND ITS RULES AND REGULATIONS )**  
**TO IMPLEMENT A BUDGET BILL OPTION )** **NOTICE OF APPLICATION**  
**)**  
**)** **NOTICE OF**  
**)** **MODIFIED PROCEDURE**  
**)**  
**)** **NOTICE OF**  
**)** **COMMENT/PROTEST DEADLINE**

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YOU ARE HEREBY NOTIFIED that on February 3, 2004, United Water Idaho Inc. (United Water; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authority to amend its Rules and Regulations to establish a "Budget Bill" payment program for its residential customers.

The proposed Budget Bill program has the following features:

- The program will be available to all residential customers residing in a premise that has six (6) actual historical bills. Customers must be in current account status with no past due amounts;
- Enrollment would be permitted at the convenience of the residential customer with no set enrollment period;
- No interest will accrue on positive or negative balances;
- Residential customers may be removed from the Budget Bill program for failure to timely pay the agreed Budget Bill amount;
- United Water may perform mid-term adjustments to the amount of the Budget Bill payment due to rate changes; extreme weather impact or other significant unforeseen circumstances (major leak, etc.);
- Upon enrollment the customer's payment amount under the Budget Bill program will be calculated based on twelve (12) months' history (six bi-monthly reads) of consumption at the premises. History may be based upon the usage of the prior customer at the location. The customer will receive a Budget Bill monthly. An annual reconciliation will be performed with negative or positive balances, within limits, rolled forward into the next Budget Bill.

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United Water believes providing a “Budget Bill” program to its residential customers will be in the public interest for the following reasons:

- United Water is of the opinion that there is a significant customer demand for such an option.
- For many residential customers, over 60% of the annual bill is comprised of the two summer period bi-monthly bills. This can lead to customer hardship.
- United Water’s rates for water service have, for approximately ten (10) years, contained a summer consumptive rate (from May 1 through September 30) that is 25% higher than the winter rate. In the Company’s opinion, the residential customers understand and react to the price signal inherent in the seasonal rate design. United Water believes that a Budget Bill program would not significantly dampen such a signal, while providing the residential customer flexibility to levelize their payments.
- United Water currently reads meters and renders bills on a bi-monthly basis. Conversion to actual monthly reading and billing for all customers would ease the burden of bi-monthly summer bills; however, the expense is prohibitive. United Water estimates monthly reading and billing would involve an increase in operating expenses of approximately \$1,100,000 annually. The Budget Bill program provides a significantly lower cost alternative to monthly reading and billing. Budget Bill program participants will receive monthly billing statements, although their meters will continue to be read on a bi-monthly basis.
- A Budget Bill program allows a residential customer to plan and budget water usage more effectively than the current “pay as you go” basis.

United Water states that it will advertise the availability of the Budget Bill program through news releases, bill messages, bill stuffers, publication of information on the Company’s website, the Company’s “on-hold” telephone message and through direct customer service representative contact. Residential customers will be permitted to enroll in person at United Water’s Boise Office (8248 W. Victory Road), by telephone, by e-mail to a dedicated address or by voice mail to a dedicated voice-mail box.

United Water estimates costs associated with program implementation to be approximately \$72,000, assuming that 15% of its residential customer base enrolls in the “Budget Bill” program. The \$72,000 represents the annual costs of the program and is comprised of additional billing, postage and payment processing expenses. The Company

requests an accounting order permitting the deferral of these additional costs for recovery in the Company's next general rate case, subject to audit and review for reasonableness. In the absence of deferral, the Company will likely defer implementation of the Budget Bill program to coincide with the next general rate case.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. UWI-W-04-1. The Commission has preliminarily found that the public interest in this matter may not require a hearing to consider the issues presented, and that the issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that **the deadline for filing written comments or protests** with respect to United Water's Application and the use of Modified Procedure in Case No. UWI-W-04-1 is **Wednesday, March 3, 2004**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the matter on its merits and enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. UWI-W-04-1 should be mailed to the Commission and the Company at the addresses reflected below.

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5983

Gregory P. Wyatt  
United Water Idaho Inc.  
PO Box 190420  
Boise, ID 83719-0420  
E-mail: [greg.wyatt@unitedwater.com](mailto:greg.wyatt@unitedwater.com)

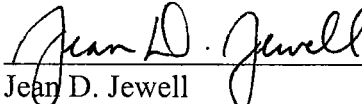
Dean J. Miller  
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All comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.state.id.us](http://www.puc.state.id.us). Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application in Case No. UWI-W-04-1 may be reviewed at [www.puc.state.id.us](http://www.puc.state.id.us) under the "File Room" icon and "Water Cases" or can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 W. Washington Street, Boise, Idaho and at the general business office of United Water Idaho Inc., 8248 W. Victory Road, Boise, Idaho.

DATED at Boise, Idaho this 10<sup>th</sup> day of February 2004.

  
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Jean D. Jewell  
Commission Secretary

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